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HB 28 Oil and Gas Severance Tax Amendments

Utah Code §59-5-102; Administrative Rule R865-16R-1 **Effective Date January 1, 2003**

Extends the time period for a taxpayer to claim a tax credit for a workover or recompletion and modifies the provisions related to claiming the credit.

1. A working interest owner who pays for all or part of the expenses of a recompletion or workover may claim a nonrefundable tax credit equal to 20% of the amount paid.
2. The tax credit for each recompletion or workover may not exceed \$30,000 per well during a calendar year.
3. If the amount allowable for a tax credit exceeds the taxpayer's tax liability for the calendar year in which the taxpayer claims the tax credit, the amount of credit exceeding liability may be carried forward for the next 3 calendar years.

Requires the Tax Review Commission to review the oil and gas severance tax on or before the October 2008 interim meeting.

HB 29 Fees and Taxes on Oil and Gas

Utah Code §§40-6-14, 59-5-102, 59-5-107; Administrative Rules R865-15O-1, R865-15O-2 **Effective Date January 1, 2003**

Modifies the due dates for making quarterly payments of the fees levied on the value at the well of oil and gas to match the quarterly severance tax payments (changes the due dates on conservation tax from 45 to 60 days to match severance tax). Fee payment schedule:

Quarter	Due on or before:
JAN-MAR	June 1

APR-JUN	September 1
JUL-SEP	December 1
OCT-DEC	March 1 of the next year

HB 286 Waste Tax and Fee Amendments

Utah Code §§19-3-106, 19-6-118, 59-24-101, 59-24-102, 59-24-103, 59-24-105, 59-24-103.5, 59-25-101, 59-25-102, 59-25-103, 59-25-104, 59-25-105, 59-25-106, 59-25-107, 59-25-108, 59-25-109 **Effective Date July 1, 2003**

Increases the regulatory fees administered by DEQ on radioactive waste received at a radioactive waste facility and on hazardous waste received at a hazardous waste facility for treatment and disposal.

Eliminates the tax imposed on radioactive waste and imposes the tax on radioactive waste facilities (including a tax on certain wastes from a governmental entity or an agent of a governmental entity that were previously grandfathered out of the tax).

Imposes a tax on hazardous waste facilities and non-hazardous solid waste facilities based on gross receipts derived from the treatment, storage, or disposal of hazardous waste and non-hazardous solid waste.

On or after July 1, 2003, a tax will be imposed on hazardous and non-hazardous solid waste facilities (for further definitions of waste, refer to §19-6-102).

- **Hazardous waste facility:** A hazardous waste treatment and disposal facility that receives, for profit, hazardous waste for treatment or disposal.
- **Hazardous waste:** Solid waste other than household waste which may cause or significantly contribute to an increase in mortality or in serious irreversible or incapacitating reversible illness.
- **Non-hazardous solid waste facility:** A facility that receives, for profit, non-hazardous solid waste for treatment, storage, or disposal.
- **Non-hazardous solid waste:** Garbage, refuse, sludge from waste treatment plants, water supply treatment plants, or air pollution control facilities. It does not include hazardous waste, municipal solid waste, construction waste, or demolition waste.

The tax is equal to the sum of the following amounts:

1. 3% of the gross receipts of a hazardous waste facility derived from the treatment or disposal of hazardous waste; and
2. 3% of the gross receipts of a hazardous or non-hazardous solid waste facility derived from the treatment or disposal of non-hazardous solid waste.

If hazardous or non-hazardous solid waste is received at a waste facility, and the tax is paid for the treatment of the waste, any subsequent treatment or disposal of the waste is not subject to additional taxes.

The tax imposed shall be paid by the owner or operator of the hazardous or non-hazardous solid waste facility that receives the waste for treatment or disposal. The payment shall be paid quarterly on or before the last day of the month next succeeding each calendar quarterly period.

HB 372 Captive Insurers Act

Utah Code §§31A-3-304, 31A-37 **Effective Date July 1, 2003**

Provides for the regulation and operation of captive insurance companies; subjects a captive insurance company to tax on direct premiums from policies written during the preceding calendar year (less return premiums); also imposes on a captive insurance company a tax on assumed reinsurance premiums.

After deducting from the direct premiums that are subject to tax the amounts paid to policyholders as return premiums, a captive insurance company is subject to a tax on the direct premium collected or contracted for on policies or contracts of insurance written by the captive insurance company during the year ending December 31 next preceding at the rate of:

1. .4% on the first \$20,000,000;
2. .3% on the next \$20,000,000;
3. .2% on the next \$20,000,000; and

4. .075% on each dollar thereafter.

A captive insurance company is subject to a tax on assumed reinsurance premium at the rate of:

1. .225% on the first \$20,000,000;
2. .15% on the next \$20,000,000;
3. .050% on the next \$20,000,000; and
4. .025% of each dollar thereafter of assumed reinsurance premium.

If the aggregate taxes to be paid by a captive insurance company calculates to an amount less than \$5,000 in any year, the captive insurance company shall pay a tax of \$5,000 for that year.

A captive insurance company shall pay the tax imposed to the State Tax Commission by March 31 of each year.

SB 66 Alcoholic Beverage Enforcement and Treatment

Utah Code §§32A-1-115; 59-15-101; 59-15-109 **Effective Date May 5, 2003 - Tax Increase**
Effective July 1, 2003

Increases the beer tax rate from \$11 per 31 gallon barrel to \$12.80 per 31-gallon barrel; provides that the commission shall deposit beer taxes as directed into the Alcoholic Beverage Enforcement Treatment Restricted Account or the General Fund.

SB 172 Hazardous Waste Regulation and Tax Policy Task Force and Moratorium on Acceptance of Class B and C Radioactive Waste

Utah Code §§19-3-103.7, 19-3-104, 19-3-105 **Effective Date May 5, 2003**

Creates a task force to study radioactive, hazardous, and commercial solid waste issues in the state, including state policy and an evaluation of fees and taxes imposed on these wastes. The task force will be composed of 15 members of the Legislature, and will expire on November 30, 2004.